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SERVICES

**NONAPPROPRIATED FUND
UNEMPLOYMENT COMPENSATION
PROGRAM**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements that portion of Air Force Policy Directive (AFPD) 34-3, *Nonappropriated Funds Personnel Management and Administration*, concerning the NAF Unemployment Compensation (UC) Program. This instruction does not apply to Army and Air Force Exchange Service (AAFES), Air National Guard, and Reserve units and members. This instruction directs collecting and maintaining information subject to the Privacy Act of 1974 authorized by 10 U.S.C. 8013. System of records F176 AF MP A, Nonappropriated Fund Instrumentalities (NAFI) Financial System applies. The Department of Labor (DOL) has determined that disclosure of wage and separation information needed by a State Employment Security Agency (SESA) to adjudicate Unemployment Compensation for Federal Employees (UCFE) claims is a permitted routine use under the Privacy Act of 1974 and that a UCFE claimant's written release for the disclosure of such information is not required. See [Attachment 1](#) for a glossary of references, abbreviations, and acronyms.

SUMMARY OF CHANGES

This revision aligns the instruction with AFPD 34-3. The only significant changes from the now superseded governing directive concern the method of handling back-pay awards contained in paragraph 3.3 and the addition of paragraph 8, Contingency Actions.

1. Program Responsibilities. The following responsibilities are designated to comply with the DOL UCFE Program for former and present Air Force NAF employees paid on US dollar payrolls.

1.1. Headquarters Air Force Morale, Welfare, Recreation, and Services Agency, Compensation Division (HQ AFSVA/SVXC). Oversees day-to-day operation of the UC Program to include:

- Quarterly auditing of Federal and state billings to resolve errors.
- Providing expertise in all matters relating to benefits, state determinations, and appeal actions.
- Formulating managerial statistics and information necessary to oversee and assist major command (MAJCOM) and Base UC programs.

1.2. Major Commands. Analyze quarterly managerial statistics to identify problems and assist subordinate bases in resolving them. Upon announcement of subordinate base closures, MAJCOMs will furnish HQ AFSVA/SVXC the new Air Force mailing address where wage and separation information of former employees can be obtained.

1.3. Human Resource Offices (HRO). With Nonappropriated Fund Accounting Office (NAF AO) assistance, administer the base-level program according to the requirements of the local SESA.

1.4. NAF AOs or Appropriate Payroll Servicing Offices. Collect and report all financial information required by the SESA.

1.5. Servicing Judge Advocate (JA) Offices. Provide support and assistance when requested by the HRO.

2. Human Resource Office. HROs ensure that managers, supervisors, and employees know the UCFE program's requirements and responsibilities.

2.1. HROs provide each newly hired and rehired employee the following written statement: "If you have applied for or have been receiving UC benefit payments, it is your responsibility under penalty of law, to promptly notify the appropriate local SESA in writing to discontinue issuance of UC benefits now that you are employed. Failure to notify the state agency can result in a penalty such as a fine, imprisonment, or both." HROs file the statement, signed and dated by employee, in the personnel file. Destroy the statement upon employment termination.

2.2. HROs make every effort to rehire qualified employees separated by reason of Business Based Action (BBA) or previous NAF-employed spouses returning from overseas assignments as a result of military sponsors' reassignment. Rehiring these employees in specialties requiring similar skills and knowledge is in the best interest of both the employee and the Air Force.

2.3. HROs complete and deliver to all NAF employees who are separated for any reason, or who are placed in a nonpay status of seven or more consecutive days, a Standard Form (SF) 8, **Notice to Federal Employee About Unemployment Insurance**, on or before their last duty day. Give flexible schedule employees an SF 8 the first time they are placed in a nonpay status. Include on the completed SF 8 the name "Air Force NAF" followed by the complete organizational address of the HRO where the employee's records are maintained; the 3-digit identification (ID) code number, "ID number 427"; and name and telephone number of a designated contact in HRO. Separating employees apply at SESA offices with the SF 8; their social security card; and AF Form 2545, **NAFI Notification of Personnel Action**.

2.4. HROs ensure entry of wage and separation information on Employment Service (ES) Form 931, **Request for Wage and Separation Information - UCFE**, or ES Form 931A. Incomplete or inaccurate wage and separation information results in the base being charged for UC benefits that would not otherwise be chargeable. Follow separation examples outlined in [Attachment 2](#).

2.5. Employees may appeal or grieve separation actions in accordance with Air Force Instruction (AFI) 34-301, *NAF Personnel Management and Administration*. HROs advise SESA when a UC claimant appeals or grieves a separation action. The SESA then defers action until the HRO notifies SESA of final appeal or grievance decision. HROs include separation appeal or grievance status in ES Form 931, section II, item 3d.

2.6. HROs ensure ES Form 931 and all other allied documents are completed and returned to SESA within four workdays after arrival on base. Send information copies of all completed forms and documents to HQ AFSVA/SVXC. Information copies of ES Form 931 must identify the former base employing activity (for example, Enlisted Club (EC), Officers' Club (OC), Lodging, etc.).

2.7. HROs maintain a suspense log of ES Forms 931, state determinations, and appeal actions. Send copies of all ES Forms 931, state determinations, and appeal actions to HQ AFSVA/SVXC. Use a suspense log to establish, record, and suspense follow-up actions with SESA for questionable-type separations. State laws define questionable-type separations as involuntary separation for cause, voluntary resignation without good cause, or refusal to accept a suitable job offer.

2.8. Normal state processing procedures require a UC determination within two weeks of the claim filing date. The HRO will initiate written or telephone tracer action with the appropriate SESA when the HRO has not received the determination within three weeks after it sent the completed ES Form 931 to the SESA.

2.9. States normally deny UC benefits for questionable-type separations; however, if the states allow benefits, HROs assist NAF managers in submitting substantiated appeal actions according to paragraph 4.

2.10. HROs must give enough information to SESA so SESA can properly adjudicate claims under individual state laws. For example, some states exclude temporary or seasonal employees from UC eligibility; other states exclude school employees from UC eligibility when the school employer certifies that rehire will occur after summer break.

2.11. When a former employee refuses suitable employment, HRO determines whether the individual has an active UC claim. If affirmative, HRO sends a notice to SESA indicating date of job offer; nature, location, and salary of the job offered; and reason for refusal, if known.

3. Nonappropriated Fund Accounting Office. NAF AOs complete the wage portion of ES Form 931 or provide pay data to the HRO so the HRO can return the form to SESA within four workdays after it arrives on base. Enter wage information as shown on the individual Time and Attendance (T&A) report for the base period requested. Enter zero under gross wages if no wages were paid during reportable fiscal quarters.

3.1. NAF AOs complete the lump-sum terminal leave portion of ES Form 931 or provide data to the HRO. Lump-sum terminal leave payments are not included as wages but are reported separately when required.

3.2. When required, NAF AOs enter detailed severance pay information on ES Form 931 or provide data to the HRO.

3.3. The effect of back-pay awards on UC benefit amounts differ depending on state law.

- Some states require their SESA to collect overpayments resulting from back-pay awards.
- Some states require the employer to recover overpayments.
- A few states do not consider back-pay awards to cause an overpayment.

When back-pay is given to a separated employee who has applied for UC, the NAF AO will contact the SESA to obtain proper method of overpayment recovery, if allowable. When the SESA or the employer is required to enact overpayment recovery, the NAF AO will notify the SESA that the indi-

vidual (full name and social security number) was paid back-pay, the date and dollar amount paid, and the period covered by the award. Report back-pay awards made prior to receiving the ES Form 931 in the fiscal quarter in which paid. Report retroactive pay increases in the pay period in which they were paid. If the UC claim base period begins or ends during the pay period in which a payment was made, report the entire payment in the second week of the pay period.

3.4. NAF AOs provide DOL with advance budgetary information concerning base closures or a Business Based Action (BBA) of 50 or more people. Send this information to Development and Implementation-TEUMI, Employment and Training Administration, US Department of Labor, 200 Constitution Avenue, NW, Washington DC 20210, with an information copy to HQ AFSVA/SVXC, 10100 Reunion Place, Suite 502, San Antonio Texas 78216-4138.

4. Handling Appeals. All SESAs provide UC appeal rights. The claimant or the separating activity may initiate an appeal. The following instructions outline the procedures required to accomplish appeal actions.

4.1. The appropriate activity manager is responsible for appealing SESA determinations, with the HRO providing technical and administrative assistance. SESAs should send all determinations and hearing notices to the HRO address on the SF 8. Immediately forward incorrectly addressed or mis-routed SESA determinations and notices to the HRO for appropriate action.

4.2. When it receives a questionable SESA determination, the HRO contacts the responsible activity manager to determine whether an appeal is warranted. If so, the HRO has a limited number of days to file an appeal. HROs obtain the servicing JA's assistance when necessary. HROs send copies of all appeals and SESA decisions to HQ AFSVA/SVXC.

4.3. The appropriate activity manager or supervisor, HRO representative, and JA representative, if necessary, must appear in person at the appeal hearing (if geographically located in the vicinity of the base) with a well-documented case. Witnesses having first-hand knowledge of circumstances surrounding the separation should also be present. For hearings in locations outside the local area, the HRO will contact the SESA office for documentation submission procedures, including witness affidavits in lieu of personal appearance.

4.4. HQ AFSVA/SVXC is the focal point for all appeal actions concerning former overseas NAF employees who return stateside and are involved in telephone appeal actions. Overseas HROs **immediately** furnish HQ AFSVA/SVXC all background documentation.

5. Cost, Assessment, and Payment . Bases fully absorb the cost of UC benefits to former and present employees. HQ AFSVA/SVXC authorizes payment of quarterly costs and establishes the base premium assessment rate required to recover these costs. Commanders and NAF managers at all levels must safeguard NAFs by implementing procedures to identify and eliminate improper UC benefit payments in a timely manner. Providing timely, accurate, and complete wage and separation information prevents incorrect eligibility decisions and improper payment of benefits.

6. DOL Forms. Each SESA will provide forms and other documents required to administer the UC program, including ES Form 931 and ES Form 931A.

7. UCFE Program Information. HROs may receive help in completing and returning UCFE forms by calling the nearest SESA office. SESA representatives may be invited to arrange on-site visits to help HROs and NAF managers comply with UCFE law.

8. Contingency Actions. The HRO will advise all NAF employees of the need to apply for UC at any SESA office when the employee is displaced from work by reason of:

- Natural disaster.
- National emergency.
- Armed conflict or war.

8.1. Parent MAJCOM will expeditiously advise HQ AFSVA/SVXC of the new mailing address where employee wage and separation information can be obtained.

9. Forms Prescribed. Standard Form (SF) 8, **Notice to Federal Employee About Unemployment Insurance**, and Employment Service (ES) Form 931, **Request for Wage and Separation Information - UCFE**.

NORMAND G. LEZY, Brig General, USAF
Director of Services

Attachment 1

GLOSSARY OF REFERENCES, ABBREVIATIONS, AND ACRONYMS

References

AFPD 34-3, *Nonappropriated Funds Personnel Management and Administration*

AFI 34-301, *NAF Personnel Management and Administration*

Abbreviations and Acronyms

AAFES—Army and Air Force Exchange Service

AFI—Air Force Instruction

AFPD—Air Force Policy Directive

AFSVA/SVXCC—Air Force Services Agency, Compensation Division, Casualty and Unemployment Compensation Branch

AO—Accounting Office

BBA—Business Based Action

DOL—Department of Labor

EC—Enlisted Club

ES—Employment Service

HRO—Human Resource Office

ID—Identification

JA—Judge Advocate

MAJCOM—Major Command

NAF—Nonappropriated Fund

OC—Officers' Club

SESA—State Employment Security Agency

SF—Standard Form

T&A—Time and Attendance

UC—Unemployment Compensation

UCFE—Unemployment Compensation for Federal Employees

US—United States

Attachment 2

REASON FOR SEPARATION OR NONPAY STATUS

Table A2.1. Reason for Separation or Nonpay Status.

R	A	B	C
U			
L			
E	Reason	Inadequate	Adequate
1	Separation	Inefficiency	Separation for Inefficiency-The employee was unable to pass a scheme-sorting test after four trials.
2		Disqualification	Separation for Disqualification-The employee through carelessness, repeatedly failed to meet the job requirement of preparing accurate, neat letters according to a standard format, even though the employee demonstrated the ability to do so and received supervisory warnings on three occasions during the probationary period. (Attach a copy of the separating letter to the employee indicating the reason for separation.)
3		Displacement	Separation for Displacement- Temporary employee was displaced by a career employee.
4		Abandonment of Position	Separation for Abandonment of Position-The employee walked off the job without giving notice before or after leaving the position.
5		Disability	Separation for Disability-The employee was unable to perform the duty of loading and unloading trucks. No less-strenuous work was available at the equivalent grade.
6	Resignation	Resignation to move to another city	Resignation-To accompany spouse to a new duty station.
7		To return home	Resignation-To return home to care for an aged parent.
8		Personal reasons	Resignation-transportation or child care problems, etc., and no other suitable job was available.
9			Resignation-Employer was preparing charges to separate the employee for drinking on the job on four occasions within the 30-day period prior to separation.
10		Dissatisfied	Resignation-To seek other employment.
11	Retirement (Optional)	Retirement (Optional)	Retirement (Optional)-To engage in a public accounting practice.
12			Retirement (Optional)-Rather than accept a two-grade decrease in pay in another line of work as a result of a business-based action.

13			Retirement (Optional)-Rather than move with unit from Texas to Colorado. (The employee was offered similar work, at the same grade in Texas.)
14			Retirement (Optional)- Because the employee was no longer able to perform regular job and no other job was available.
15	Business-based action (BBA)	Business-based action (BBA)	BBA-The employee was not offered another job.
16			BBA-The employee, an NFII stenographer, was offered an NFI typing job.
17	Removal	Removal-Insubordination	Removal-For excessive tardiness. During the last 20 days prior to removal, the employee was tardy 1 hour on 8 days and 2 hours on 5 days with no explanation except, "I oversleep"
18			Removal-For giving false information on the employment application. (Common examples include misrepresenting education and work experience, as well as failure to disclose criminal violation as the employment application requires.)
19			Removal-For security reasons. (Attach a copy of the separation letter to the employee that indicated the reason for separation.)
20	Termination	Termination	Termination-Lack of work
21			Termination-Expiration of the employee's 90-day appointment. The employee refused an extension of the appointment.